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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-983]

Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Drawn Stainless Steel Sinks from the People's Republic of China

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is initiating a changed circumstances review (CCR) of the antidumping duty (AD) order on drawn stainless steel sinks from the People's Republic of China (PRC) with regard to Ningbo Afa Kitchen and Bath Co., Ltd. (Ningbo). We preliminarily determine that Ningbo is the successor-in-interest to Yuyao Afa Kitchenware Co., Ltd. (Yuyao) for purposes of determining AD liability. Interested parties are invited to comment on these preliminary results.

DATES: Effective Date: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Ross Belliveau or Brian Smith, AD/CVD

Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S.

Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone:

(202) 482-4952 or (202) 482-1766.

SUPPLEMENTARY INFORMATION:

Background

On April 11, 2013, the Department published in the Federal Register an AD order on drawn stainless steel sinks from the PRC.¹ On November 19, 2015, Ningbo, a producer/exporter of drawn stainless steel sinks covered by this order, changed its name from Yuyao to Ningbo. On December 22, 2015, Ningbo requested that the Department conduct a changed circumstances review under section 19 U.S.C. 1675(b) and 19 CFR 351.216.² In this request, Ningbo asked the Department to determine that it is the successor-in-interest to Yuyao and, accordingly, to assign it the cash deposit rate of Yuyao.³

Scope of the Order

The products covered by the scope of this order are drawn stainless steel sinks with single or multiple drawn bowls, with or without drain boards, whether finished or unfinished, regardless of type of finish, gauge, or grade of stainless steel. Mounting clips, fasteners, seals, and sound-deadening pads are also covered by the scope of this order if they are included within the sales price of the drawn stainless steel sinks. For purposes of this scope definition, the term “drawn” refers to a manufacturing process using metal forming technology to produce a smooth basin with seamless, smooth, and rounded corners. Drawn stainless steel sinks are available in various shapes and configurations and may be described in a number of ways including flush mount, top mount, or undermount (to include the attachment relative to the countertop). Stainless steel sinks

¹ See Drawn Stainless Steel Sinks from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order, 78 FR 21592 (April 11, 2013).

² See Letter from Ningbo, entitled “Drawn Stainless Steel Sinks from the People’s Republic of China: Request for Changed Circumstances Review by Yuyao Afa Kitchenware Co., Ltd. and Ningbo Afa Kitchen and Bath Co., Ltd.,” dated December 22, 2015 (Ningbo CCR Request).

with multiple drawn bowls that are joined through a welding operation to form one unit are covered by the scope of the order. Drawn stainless steel sinks are covered by the scope of the order whether or not they are sold in conjunction with non-subject accessories such as faucets (whether attached or unattached), strainers, strainer sets, rinsing baskets, bottom grids, or other accessories.

Excluded from the scope of the order are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as “zero radius” or “near zero radius” sinks.

The products covered by this order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under statistical reporting number 7324.10.0000 and 7324.10.0010. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Initiation and Preliminary Results of Changed Circumstances Review

Pursuant to section 751(b)(1)(A) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(d), the Department will conduct a CCR upon receipt of a request from an interested party for a review of an AD order which shows changed circumstances sufficient to warrant a review of the order. The information submitted by Ningbo supporting its claim that it

³ Id.

is the successor-in-interest to Yuyao demonstrates changed circumstances sufficient to warrant such a review.⁴

In accordance with the above-referenced regulation, the Department is initiating a CCR to determine whether Ningbo is the successor-in-interest to Yuyao. When it concludes that expedited action is warranted, the Department may publish the notice of initiation and preliminary results for a CCR concurrently.⁵ We determined that expediting this CCR is warranted because we have the information necessary to make a preliminary finding already on the record, in accordance with our practice.⁶

In determining whether one company is the successor-in-interest to another, the Department examines a number of factors including, but not limited to, changes in management, production facilities, supplier relationships, and customer base.⁷ While no single factor or combination of these factors will necessarily provide a dispositive indication of a successor-in-interest relationship, the Department will generally consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to

⁴ See 19 CFR 351.216(d).

⁵ See 19 CFR 351.221(c)(3)(ii); see also Certain Pasta From Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review, 80 FR 33480, 33480-41 (June 12, 2015) (Pasta From Italy Preliminary Results) (unchanged in Certain Pasta From Italy: Final Results of Changed Circumstances Review, 80 FR 48807 (August 14, 2015) (Pasta From Italy Final Results)).

⁶ See, e.g., Pasta From Italy Preliminary Results, 80 FR at 33480-41 (unchanged in Pasta From Italy Final Results, 80 FR at 48807).

⁷ See, e.g., Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From Thailand, 75 FR 61702, 61703 (October 6, 2010) (Shrimp From Thailand Preliminary Results) (unchanged in Notice of Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From Thailand, 75 FR 74684 (December 1, 2010) (Shrimp From Thailand Final Results)); and Industrial Phosphoric Acid From Israel: Final Results of Antidumping Duty Changed Circumstances Review, 59 FR 6944, 6946 (February 14, 1994).

that of its predecessor.⁸ Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, the Department will assign the new company the cash deposit rate of its predecessor.⁹

In its December 22, 2015 submission, Ningbo provided information to demonstrate that it is the successor-in-interest to Yuyao. Ningbo states that the company's ownership, location/production facilities, management, and customer base have not changed as a result of the corporate name change. It states further that its suppliers have remained largely the same, with some suppliers added but none eliminated. To support its claims, Ningbo submitted the following documents: (1) a copy of Ningbo's old and new business licenses, issued on June 2, 2015, and November 19, 2015, respectively;¹⁰ (2) a copy of the government certification and approval of the company's name change from Yuyao to Ningbo;¹¹ (3) an excerpt from Yuyao's June 25, 2015, separate rate application documenting the ownership of the company;¹² (4) an excerpt from Yuyao's June 25, 2015, separate rate application listing the company's management team;¹³ (5) a listing of the company's suppliers before and after its name change.¹⁴ Ningbo also submitted information pertaining to its location/production facilities and U.S. customer base.¹⁵

⁸ See, e.g., Shrimp From Thailand Preliminary Results, 75 FR at 61703 (unchanged in Shrimp From Thailand Final Results, 75 FR at 74684).

⁹ Id.; see also Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review: Polychloroprene Rubber From Japan, 67 FR 58, 59 (January 2, 2002); and Ball Bearings and Parts Thereof from France: Final Results of Changed-Circumstances Review, 75 FR 34688, 34689 (June 18, 2010).

¹⁰ See Ningbo CCR Request at Exhibit 1.

¹¹ Id. at Exhibit 2.

¹² Id. at Exhibit 3.

¹³ Id. at Exhibit 4.

¹⁴ Id. at Exhibit 5.

¹⁵ Id. at 3-4.

Based on the evidence on the record, we preliminarily find that Ningbo is the successor-in-interest to Yuyao. We find that Ningbo operates as the same business entity as Yuyao and that its ownership, management, production facilities, supplier relationships, and customers have not changed as a result of its name change. Thus, we preliminarily find that Ningbo should receive the same antidumping duty cash deposit rate with respect to the subject merchandise as Yuyao, its predecessor company.¹⁶

Should our final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to suspend entries of subject merchandise exported by Ningbo at Yuyao's cash deposit rate, effective on the publication date of our final results.

Public Comment

Interested parties may submit case briefs and/or written comments not later than 14 days after the publication of this notice.¹⁷ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than five days after the deadline for filing case briefs.¹⁸ Parties who submit case briefs or rebuttal briefs in this changed circumstances review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Interested parties who wish to comment on the preliminary results must file briefs electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to

¹⁶ Yuyao received a 4.29 percent dumping margin in the 2012-2014 administrative review of the AD order on drawn stainless steel sinks from the PRC. See Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of the Antidumping Duty Administrative Review; 2012-2014, 80 FR 69644, 69645 (November 10, 2015). We note that Yuyao is also a respondent in the current 2014-2015 administrative review of this antidumping duty order. See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 80 FR 30041, 30046 (May 26, 2015). At the conclusion of this CCR, if we determine that Ningbo is the successor-in-interest to Yuyao, we will assign Ningbo an updated cash deposit rate based on the final results of the ongoing review.

¹⁷ See 19 CFR 351.309(c)(ii).

registered users at <http://access.trade.gov>. An electronically-filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5 p.m. Eastern Time on the date the document is due.

Interested parties that wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS, within 14 days of publication of this notice.¹⁹ Parties will be notified of the time and date of any hearing, if requested.²⁰

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this changed circumstance review no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results if all parties agree to our preliminary finding.

We are issuing and publishing this finding and notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act, and 19 CFR 351.216 and 351.221(c)(3)(ii).

Dated: February 5, 2016.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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¹⁸ See 19 CFR 351.309(d).

¹⁹ See 19 CFR 351.310(c); see also 19 CFR 351.303 for general filing requirements.

²⁰ See 19 CFR 351.310.